



**Information Partners Can Use on:**

# THE FIVE MAIN GROUPS

## BASED ON THE COVERAGE PEOPLE HAVE NOW

**New Medicare Prescription Drug Coverage**

**As of August 26, 2005**

While doing your education and outreach about the new Medicare prescription drug coverage, it is important to find out whether the person you are helping already has drug coverage or not. This will help in the decision-making process. You may also find that most people fall into one of five broad audiences. Based on the audience, individuals may need to think about different things before making a decision. Below is a list of the five audiences and some key information people in each of these groups might need about Medicare prescription drug coverage.

### **1. No prescription drug coverage**

Medicare prescription drug coverage will help with drug costs. For a typical person with Medicare, this coverage, on average, will pay 50% of drug costs next year. Savings could be more or less than this amount.

To get Medicare prescription drug coverage, you can join a Medicare Prescription Drug Plan that covers prescription drugs only and keep your other insurance. Or, you can join a Medicare Advantage Plan or other Medicare Health Plan that covers doctor and hospital care as well as prescriptions. If you don't join a Medicare drug plan by May 15, 2006, you will have to pay a penalty if you decide to join later.

### **2. Employer/union coverage (including VA, TRICARE, and FEHB)**

Medicare will help employers and unions continue to provide retiree drug coverage that meets Medicare's standards.

Your employer or union will let you know if your current coverage, on average, is at least as good as the standard Medicare prescription drug coverage. This information will help you understand what decisions you will have to make. If you don't hear from them, visit their website or call your benefits administrator.



### 3. Medicare and Medicaid

Starting January 1, 2006, you will get your prescription drug coverage from Medicare instead of Medicaid. The prescription drug coverage from Medicare has no premiums, no deductibles, no gaps, and you will pay very little or nothing for almost all prescriptions.

You must join a plan that covers prescription drugs to get drug coverage. If you don't join a plan, Medicare will sign you up for one to make sure you don't miss a day of coverage. You can change plans at any time.

### 4. Medicare Advantage Plan or other Medicare Health Plan

Medicare is working with your Medicare Advantage Plan (like an HMO or PPO) or other Medicare Health Plan to help them provide even more coverage or lower the cost of your existing coverage. Your plan will let you know about the prescription drug options they will offer. You can also choose to switch to another Medicare Advantage Plan, other Medicare Health Plan, or the Original Medicare Plan and join a Medicare Prescription Drug Plan.

In October, look for information in the mail explaining any additional prescription drug coverage your plan will offer.

### 5. Medigap Policy with prescription drug coverage

Medicare prescription drug coverage will generally provide significant savings compared to what you are paying in copayments for drugs under your Medigap plan, and will generally provide much better protection against high drug expenses. Also, Medicare coverage will never run out if you have high drug costs.

You will need to decide between keeping your Medigap policy with drug coverage or joining a Medicare drug plan. If you decide to join a plan that offers Medicare prescription drug coverage, tell your Medigap insurer and the drug coverage portion of your Medigap policy will be removed. You won't be able to get it back. If you keep your Medigap policy with drug coverage and don't join a Medicare drug plan by May 15, 2006, in most cases, you will have to pay a penalty if you decide to join later. Look for more information from Medicare and the plans offering drug coverage in your area in the fall, and compare the drug coverage from your Medigap plan to the new Medicare coverage.

**Important for All Audiences**—If someone has limited income and resources, he/she may qualify for extra help with Medicare Prescription Drug Plan costs. Visit [www.medicare.gov](http://www.medicare.gov) on the web or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users should call 1-877-486-2048.